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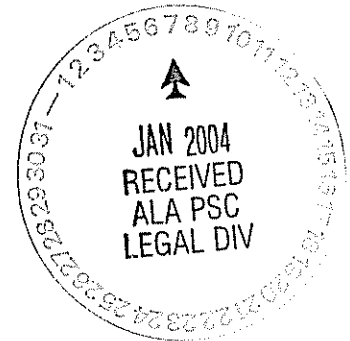
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January 6, 2004

VIA HAND DELIVERY

Walter Thomas, Secretary
Alabama Public Service Commission
RSA Union Building, 8th Floor
100 North Union Building
Montgomery, Alabama 36104



**RE: Docket Number: U-28590
Proposed Revisions to the Price Regulation and
Local Competition Plan**

Dear Mr. Thomas:

Enclosed please find the original and ten copies of MCI's Comments to be filed in the above-referenced matter.

Should you have any questions regarding this matter, please advise. Your assistance in this matter is greatly appreciated.

Sincerely,

Robert E. Poundstone IV

REP:br
enclosures

**BEFORE THE
ALABAMA PUBLIC SERVICE COMMISSION**

IN RE: Proposed Revisions to the Price Regulation
and Local Competition Plan

DOCKET NO. U-28590

MCI'S COMMENTS

MCI WORLDCOM Communications, Inc. and MCImetro Access Transmission Services, LLC (collectively, "MCI"), in accordance with the Order Seeking Comments in this docket dated September 22, 2003, submit their comments on the modifications to the Price Regulation Plan ("Price Plan") proposed by Commission Staff, BellSouth Telecommunications, Inc. ("BellSouth"), and certain rural ILECs ("Rural LECs").

MCI generally agrees with the comments being filed today by ITC^DeltaCom Communications, Inc. and AT&T Communications of the South Central States, LLC.¹ MCI files these separate comments to emphasize the need to lower intrastate access rates to cost as part of these proceedings. Since the Price Plan was implemented in 1995, the competitive landscape in the Alabama telecommunications industry has changed significantly. MCI began offering local residential service here in 2002, and its groundbreaking "Neighborhood" service for the first time provided Alabama consumers with a flat-rated local and long distance package. Meanwhile, BellSouth received in-region long distance authority in Alabama and the rest of the region in 2002, and has since followed MCI's lead and now offers its own flat-rated local and long distance service. By the end of September 2003, BellSouth already had acquired 24% of the

¹ MCI understands that these carriers will be filing separate Price Plan revisions, and MCI will submit any comments on those proposals in its reply comments.

residential long distance market and 34% of the small business long distance market in its regional service territory, a gain of 5 percentage points in each market over the previous quarter. These numbers reflect that BellSouth has made inroads into the long distance business much faster than CLECs have been able to penetrate the local market.

These developments call for modification of the Price Plan with respect to intrastate access charges. Now that BellSouth is a long distance carrier, it is no longer appropriate (assuming it ever was) for BellSouth to charge more than cost-based rates for intrastate access, because doing so gives it an unwarranted advantage in competing for long distance customers. Providing intrastate access to terminate a toll call involves the same facilities used to complete a local call originated on a CLEC's network, and yet intrastate access charges are much higher than local interconnection rates, which are required to be cost-based. For example, the Alabama intrastate access switching rate is \$0.00512 per minute of use, while the local end office interconnection rate is less than a seventh of that -- \$0.0007025 per minute of use. Permitting BellSouth to charge access rates far in excess of its costs gives it an unfair advantage over its competitors and its ability to impose such charges demonstrates its continuing market power with respect to local access. The Commission should use this opportunity to set access charges equal to interconnection rates and thus level the playing field.

Respectfully submitted, this the 6th day of January 2004.

A handwritten signature in black ink, appearing to read "Peter S. Fruin", written over a horizontal line.

Peter S. Fruin (FRU002)

Robert E. Poundstone IV (POU006)

Dulaney L. O'Roark III

Attorneys for MCI WORLDCOM Communications,
Inc. and MCImetro Access Transmission Services,
LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing document on the following by placing same in the United States Mail, postage prepaid and properly address on this the 6th day of January 2004.

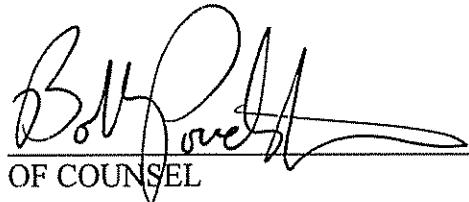
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